

# ASSOCIATION OF HOUSE OWNERS

**Quinta do Paraiso**  
Founded: October 3, 1981

## **Minutes of Annual General Meeting for House Owners Association (HOA) at Quinta do Paraiso (QdP)**

**Held Saturday 1st April 2017 at 14:30hrs**

Present Board: Alan Jenkins, Chairman HOA  
Aart de Groot, Secretary HOA  
Piet van den Berg, Treasurer HOA  
Djurre Siccama, Boardmember HOA

*Tracey Francis, Boardmember HOA was not present*

Present QdP: QdP was not represented

Members present: 16 persons representing 11 houses (board members included)  
Apologies: We received between February 8th and March 16th apologies from  
the owners of 29 houses.

### **Minutes**

#### **1. Opening**

Mr Jenkins opened the meeting and welcomed those present, including the new members. Mr Jenkins also thanked C.C. for serving the excellent lunch and coffee.

He started the meeting announcing that C.C., during the meeting between HOA-C.C. held the previous day, 31st March 2017, re-confirmed that they no longer wished to attend either the previously confirmed lunch or this AGM.

Mr Jenkins gave the members a short summary of that specific issue which follows:

#### ***Start of summary:***

*He explained to the members that the board has requested C.C. during that meeting to clarify the reasons behind this decision, just to enable the board to explain to the members why QdP will not follow the agenda.*

*C.C. stated during that meeting that this is entirely a result of the HOA's February 2017 newsletter which, in the opinion of C.C., contains confidential information not*

*intended to be spread outside the members having a contract with CC for renting out their property.*

*The HOA board re-iterated that they are not sharing that opinion and feel that this cannot be the only reason to stay away from an agreed agenda.*

*C.C. explained that the suggested rise in CF costs could easily be justified by the extra investments done by C.C. in the last years and the possible further future improvements ( not indicated in any detail during that meeting ).*

*HOA re-stated that they are very pleased with all the new investments, as also mentioned in that February 2017 newsletter, but that the board simply has no authority to agree a change in an already signed rental contract between C.C and a house owner. Hence the board's invitation to C.C. to discuss this rise with their members first at the AGM and put it up for a vote (note: also as per Clause 6.1 of the rental contract 2017).*

*The HOA board expresses their concern about this situation and stated that they soonest want to return to the "normal" co-operation, as has been the case in all years of previously working together, both in good and bad periods.*

### **End of summary**

Discussions followed, especially around the reasons why the new resort manager, Mr Barroso, was not here to introduce himself nor his ideas to the Owners.

Owners are very disappointed, and even feel insulted by this behaviour.

They do not see why solely a discussion around a proposed small raise in the CF costs in an already agreed contract has resulted in this " ban ", also given the fact that the board had already invited C.C., and put it up for a vote in this AGM, as per the contract.

Their general feeling is:

- That house owners, who are already making their property for many years freely available for rent through CC - instead of through any other villa management company - deserve a much better treatment from C.C.
- That this behaviour of C.C. management might even trigger them to find another company and /or starting or expanding their own rental business.
- That problems always have been, and also now, need be resolved by open discussion, not by staying away from agreed meetings with house owners who have re-organised their travel schedules such that they can be present during meetings at QdP.
- That they require soonest more information about the true reason behind this C.C. action.

**Extra agenda point :**

Mr Koetsier makes a statement that he likes to have more support for those Dutch owners not being fluent enough in English. He further memorises that the Association was founded in his house at QdP in 1981 and that it is an Association under Dutch law.

The Chairman replied that we - given the various nationalities amongst the members - need to keep English as our language for all documents and during meeting, but that from now on during our meetings we will summarise and clarify discussion in Dutch if so asked for.

The Secretary confirmed that in future he will arrange for a Dutch translation for those owners and those documents if so requested, but indicated that in case of contradictions the English document shall at all times prevail.

**2. Minutes of AGM April 9th 2016**

The minutes were briefly reviewed and were accepted.

It was noted that C.C. no longer proposes acting as Fiscal Representative for house owners; as was announced in the 2016 AGM.

For the time being they want to concentrate on their core business.

**3. Secretaries report 2016**

The report was summarised and was accepted.

There were no remarks or questions from the members present.

The Secretary stated, when asked for, that remarks and questions as received from members in the past Association year are included in the present agenda.

**3A. Extra agenda point.**

**As a result of the situation around various developments since the new style of contract came into force, and most recently the picture over the proposed raise of the CF costs, our Chairman felt the need to give a "Chairmans Report".**

**This led to the following discussions:**

**3A-1. Rental rates vs rack rates.**

Those of our Members, and other Owners, who decline to rent out their houses through CC/QdP often say that one major reason is the lack of transparency in their rental income, even under the new style contract.

The board has attempted to take account of real market forces when negotiating the Contract rental rates each year, but the fact is that those Contract rental rates have evolved (for at least 30 years) without any specific comparison or linkage to the QdP 'Rack' rates.

In support of our continued search for transparency, in 2016 an analysis was made of the Contract rental rates as compared with the QdP 'Rack' rates, which led to some noteworthy conclusions.

The Board presented this analysis to CC in August - September 2016, but there was no meaningful dialogue. CC has passed on a 5% increase in overall rental rates, which is a positive step, but did not wish to engage with us on the anomalies we had identified.

This analysis was handed over to the members during this AGM and discussed further.

Conclusion as presented to C.C. during the meeting in 2016 was that the HOA would like to discuss addressing the worst of these variations, by prioritising increased Rental Rates for the house types and seasons where the current percentages are the lowest Those below 53 %: being the C2 clusters and T1 apartments both standard and superior.

*Conclusion of the members during the AGM :*

*They support the vision of their Chairman and concluded that this discussion needs to be continued/ resolved while negotiating the 2018 contract.*

*See also item 9 below.*

### **3A-2 . WIFI.**

The decision by CC/QdP to terminate the 2013 WiFi solution, to which Owners had contributed both set-up and running costs, was made in November 2016 without reference to the Owners AGM.

The HOA appreciates that the 2013 WiFi solution had a lot of problems, led to a lot of Guests' complaints, and required a lot of support (at QdP's time and expense).

The HOA was told that it was incapable of being continued in 2017, and that its components could not be re-used in any way.

On this basis the Board held a vote, and concluded that we had no alternative. We therefore asked the C.C. management to amend the third paragraph of their covering letter (October 2016) from 'together with the board' to 'with the agreement of the board', but this was overlooked (with subsequent apologies).

Moreover, in subsequent e-mail exchanges about the Central Facilities Contributions for 2017 (see point 3 below), the C.C. management appeared to struggle to comprehend our point that the adoption of the Vodafone 4G WiFi solution is costing most Owners extra money in 2017, whilst also saving CC/QdP the costs of continuing to support the previous solution - in other words, that it involves a net transfer of costs from CC/QdP to Owners.

*After discussions amongst the members it appeared that they are of the opinion that the old system was no longer "state of the art " but that:*

- *The use of the system could have been restricted only to those owners having contracts with C.C., avoiding the overload in peak season.*
- *The demand for WiFi may reduce after EU Free Roaming starts in June 2017.*
- *Up until the date of this AGM, the old system was not " switched off" and removed, contrary to what was stated to the board and in the letters to the owners when presenting this new, more expensive, solution to them.*

### **3A-3 Central facilities contribution.**

This topic has already been covered in the February 2017 Newsletter and in the start of these minutes. See also item 3A-4 below.

The results of the vote over this proposed rise is recorded under item 4 (bullet 9 of 12) of these minutes.

### **3A-4 Steady rising of owners costs.**

Since the new style Contract came into effect (November 2010 for costs, January 2011 for income), which disadvantaged the Owners - but was expected to create a more level playing field from then onwards - HOA has in fact seen repeated interventions by QdP to increase costs to Owners, over and above inflation:

- |      |  |
|------|--|
| 2012 | Purchase of duvets and covers at Owners cost.  |
| 2013 | Introduction of WiFi at Owners cost (although in practice, C.C. has also incurred costs)   |
| 2014 | Introduction of fixed 'negotiated' CF Contributions - about a 20% increase, although individual increases varied between 4% and almost 40% - significantly more advantageous to Owners renting independently, than to Owners with contracts. |
| 2015 | Introduction of a new cost for Linen rentals (previously factored into Laundry costs)  |
| 2017 | Migration to a more expensive WiFi for Owners (whilst QdP saves costs, per point 2 above)  |
| 2017 | Unilateral 10% increase in CF Contributions (per point 3 above)  |

*After discussions, members remain of the opinion that the major problem is the impossibility for C.C to control the CF contribution in this open Quinta, where house owners cannot be forced to contribute to CF in any way.*

*The net result in 2016 being ,that out of the 193 houses counted as being part of the " Quinta do Paraíso ", only around 60% is contributing in some way.*

*The board explained once more that the HOA had discussions in the past how to define "Quinta-do-Paraíso". Legally the resort is just an "urbanisation", and an increasing amount of owners are using their properties as permanent living, thus having nothing to do with any of the CF services. Therefore the mentioned percentage is indicative only.*

*The matter of the CF contribution has been discussed in many meetings, and the board explained once more that maintaining the CF is one of HOA's basic elements in our deed since 1981.*

*The problem to control and define the CF contribution might, as suggested by members during the meeting, be leading to the C.C. management's various efforts to increase the contribution of those owners feeling themselves part of the Quinta and willing to pay.*

*Members state that they see the problem, and are generally willing to co-operate in the solution, but that this also requires more clarity from C.C. related to the total costs, distinguishing between the true CF versus the bars and restaurants.*

*Sharing CF costs has to feel as a "shared problem" and must be discussed openly.*

### **3A-5 Owners statements**

Owners were informed in general per the C.C. Circular letter dated 20<sup>th</sup> March, that the new accounting system "Primavera" is now on-line and working.

In the absence of CC management; the Chairman adds the following information as recently received from CC management :

- C.C. has tried to make use of a custom system already in use within the now formed group, but that this was not "good enough".
- They now have changed to host Primavera, the clients' information in this system is available in both English and Portuguese.
- On request a PDF of underlying information can be given also.
- The Primavera system is widely adopted and has good local support.
- It also shows current C.C. Bookings (subject to changes, as always).

*One member is of the opinion that, as a result of the combined marketing in one group, the Jardim is taking down the rating of the whole Quinta. There is also a conflict of interest between renting the Quinta units (for Owners) and the Jardim units (many of which are still owned by the Management) - shouldn't they be marketed separately ?*

### **3A-6 Conclusion from the chairman:**

#### *Quote*

It is my turn for re-election to the Board this year. I believe it would be irresponsible if I did not stand for re-election; but I must make it clear that if I am re-elected, I will NOT be simply 'carrying on' again, as up until now.

Hopefully there can and will be a significant change in CC's attitude and approach - respecting the considerable efforts of all the Board members in negotiating the annual contract, and also respecting the meaningful value that we add for Members.

#### *Unquote*

*Members were unanimous that the HOA has to remain in place, not least as a contingency in case of any "bad times" returning. What is unclear is the C.C. Management's tough attitude to HOA in the current "good times".*

*Here ends the chairman report discussion, we further will follow the agreed agenda*

4. All topics from the agreed agenda are repeated in **bold**.

- **Information about the developments around the Carvoeiro Club Group by Mrs Patricia Burer**
- **Management changes, introducing Mr. Joao Barroso as resort manager Quinta do Paraiso**
- **Views on developments by Mr Joao Barroso**
- **Occupancy level 2016 and look ahead 2017 (\*)**

**All not discussed - no CC management present**

(\*) The Chairman reminded Members that they can opt in, via the Secretary, to receiving a monthly Bookings Summary for the resort as a whole.

- **Wine and water welcome for first time guests to be continued ?**

Questions arise if this is ever implemented by C.C at all.

After discussions, the members are of the opinion that this is a very simple way of making new guests feeling at home, especially when arriving late with young children - water is a minimum requirement.

**Action HOA** to discuss further with CC

- **Security, is there a requirement for improvement ?**

Concerns about the night security were mentioned, the security company is patrolling by car, and in winter there is someone " on call " from 7.00 PM. Some members thought the guard should also walk the footpaths.

Further the members appreciated the recent paint job of the mushrooms, but wondered why so many of them have no working light bulb, leading to possible dangerous situations at the smaller footpaths.

One member stated that it is very easy to make these mushrooms safe as per recent rules and regulations, so there is no reason to "phase them out" as announced by the previous CC ( QdP ) management several years ago.

It was also suggested that the security guard should report all missing lights.

**Action HOA** to raise these ideas with CC as a possible extra shared cost.

- **Status of existing HOA <> QdP Agreements**

In 2010-11, the form of contract was changed from a three party contract to the present form, and these separate agreements were then started.

The board has 31st March 2017 started discussions with C.C. management around their announcement that CC does not want the agreement on bookings to be continued, whilst the audit on CF costs can be continued but in a revised way, yet to be discussed.

This has not lead to conclusions so far.

Members are of the opinion that these agreements need to be continued.

- **WIFI - review on present situation and look ahead**

See item 3A-2 above under the Chairmans report notes

- **Central Facilities Contributions; Members feedback over Contract 2016**

Details of the HOA February newsletter and the discussion with the C.C. management over it are already mentioned under point 1 of these minutes and in the Chairmans report notes.

After discussions, the proposal made by the CC management to increase these costs for 2017 (after signing the rental agreements) was put up for a vote.

The Chairman asked if anyone wished to propose for the HOA to agree the increase, under Clause 6.1 (silence).

The Chairman proposed for the HOA to decline the increase for 2017, but to agree it for 2018. This proposal was rejected.

It was then proposed for the HOA to decline the increase for 2017, and to authorise the Board to agree any increase for 2018, including an exceptional increase above inflation, as part of the Contract negotiations for 2018.

**This proposal was unanimously accepted.**

- **Service level of QdP to owners**

One member noted that the cleaning standard of the resort is not consistent, the area around the reception is clearly maintained much better then various parking places and roads in more remote places.

The use of the minibus was also discussed, a member suggested either to make this a part of the CF costs, so that every owner can make use of it, or to charge non-qualifying passengers a small fare.

- **Requirements for additional information on the "snapshots"**  
(type of house booked, source of booking e.g. James Villas)

C.C. Management has declined the HOA's requests for additional information.

Neither the Board nor the members could understand C.C.'s reluctance.

Snapshots are now replaced by information from the new Primavera system, which is online, but does not show "private use".

Members are reminded that there still is a difference in "dedicated " bookings -for a specific house- and bookings for a house type category.

- **Maintaining quality standards, Clients expectations**  
Those houses rented out through James Villas via C.C. will get extra pool towels, hairdryers and a Bluetooth speaker.

The costs for these towels will not be charged to the house owner.  
For the Bluetooth speaker a solution is yet to be found by C.C. to prevent theft.

The members are of the opinion that hairdryers should form part of the basic inventory and should be added to the requirement list of all houses.

## **5 . Any other business**

No further issues were brought forward.

## **6. Place, date AGM 2018**

It was proposed that the AGM 2018 will be held at QdP on Saturday 17th March 2018.

## **Second part of AGM - members only**

### **7. Financial and Audit Reports**

- The Treasurer presented and explained the financial and audit reports and the estimate for 2017. No further remarks / questions from members present. The report and audit are attached to these minutes.
- The Audit committee (Mr Koetsier & Mr van Katwijk) is satisfied and proposed to discharge the Treasurer. The members agreed.
- The Audit committee for 2017 will be Mrs. Jill Edwards and Mr. Koetsier.
- The Board clarified the results of the audit carried out on the CF costs in January 2017 and have accepted the calculation as the basis for the 2017 CF budget. A detailed report is attached to these minutes.

In summary, C.C. spent an additional EU 25K in 2016, on the heated pools, on finishing the renovation of the childrens playground, and on repainting the mushrooms and fire hydrants. Nevertheless, the 2017 CF budget as agreed is now lower than for 2016.

An issue arose during the audit about the possible exclusion of the 'D' Apartments from the Central Facilities. C.C. Management subsequently withdrew this remark. After discussion, the Members were unanimous that there should be no discrimination against the 'D' Apartments.

#### **8. Experiences with independent booking Websites for QdP accommodation**

In general owners experiences with other sources of booking

Removed from the agenda.

#### **9. Priorities for future Contract negotiations:**

Rental rates / rack rates; transparency and earlier information required

As discussed already, see Chairmans report, item 3A-1 of these minutes.

**The Board also wished to get feedback from Members not present at this AGM.**

The analysis paper is therefore being sent out alongside these Minutes (but, in light of C.C. Management sensitivities, ONLY to Members with a C.C. rental contract).

These Members are specifically requested to issue:

- Their comments on the rental rates vs. rack rate overview.
- To list their priorities for future contract negotiations.

**Both replies are expected by the Secretary by 31st May 2017, so that they can be used by the start of the 2018 contract negotiations.**

Once again, Members could not understand C.C. Management's recent attitude - in the current 'good times', C.C. should be repaying Members loyalty, rather than seeking further cost increases.

#### **10. Renewal of HOA's powers of:**

- Audit on bookings and reservations
- Audit on CF costs
- Delegation to the Board to negotiate and agree CF payments for 2018 (see also item 4, bullet 9 of 12, above)

All powers were unanimously renewed with thanks.

The Members present also reiterated their confidence in the HOA Board.

**11. Election new board members**

Board member Tracey Francis has recently decided to step down.  
A new house owner, Mr Bas Aarsen, has made himself available to replace her and was unanimously elected (applause).

The Chairman, Mr Alan Jenkins, retired by rotation and was unanimously re-elected (applause).

**12. Any other business.**

Those members not renting out through C.C. and who have not paid yet are requested to pay the HOA's 2017 annual fee of EU 45, via PayPal (see [www.hoa-qdp.org](http://www.hoa-qdp.org)) or to one of the following bank accounts:

**Belangen vereniging Quinta do Paraiso:**

**BIC number :ABNANL2A**

**IBAN number: NL09 ABNA 0602072026**

**or**

**P.van den Berg:**

**Swift /BIC: TOTAPTPLXXX**

**NIB:0018 0000 0258952500184**

**IBAN:PT50 0018 0000 0258952500184**

No further matters arising, the Chairman thanked those present for their continued support and time during this long meeting, and closed the meeting at 17:50hrs.

**Attachments:**

1. Treasurer's report } all per
2. Audit Committee's report (in Dutch) } item 7
3. HOA Audit report on Central Facilities costs } above
  
4. Rental rates vs. Rack rates (for Members with CC rental contracts only)  
- Members feedback is requested, by end May - see item 9 above.